



MUTUAL CAPITAL LEADERSHIP PROJECT



Newsletter

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Improving the business environment for co-operatives and mutuals

The Business Council of Co-operatives and Mutuals (BCCM) worked with government and businesses across the mutual sector to help develop new legislation that improves the business environment for federally registered co-operatives and mutuals.

The legislation is a major step forward for Australia, delivering landmark laws for the first positive change to the Corporations Act for mutuals in 18 years. It was conceived by BCCM, to create new and unique 'mutual capital instruments' to help existing mutuals grow and innovate in sectors as varied as banking, agriculture and motoring.

The law also defines a mutual in the Corporations Act for the first time, demonstrating the importance of our sector as part of a diverse economy. This has been achieved whilst adding new safeguards to mutual ownership by ensuring member control remains paramount.

In just a few years, the way mutuals are seen and understood by the government and opposition has been transformed. This work has shown how a well-executed strategy can deliver real improvements to the business environment for co-operatives and mutuals.

BCCM began work in 2013 to help to prepare the ground for reforms in favour of co-operatives and mutuals in Australia, and the strategy commenced with the publication of a 'policy blueprint,' then helping to establish a formal Senate Inquiry into Co-operatives and Mutuals. These helped to educate our target politicians and identify who would be our champions.

At all points we were keen to stress the centrality of co-operatives and mutuals to the Australian economy and demonstrate how they are a force for fairness and shared

prosperity. We worked with global mutual policy experts, Mutuo, to find the most appropriate way to make changes in Australia.

BCCM worked with its member businesses to identify sensible amendments to the Corporations Act to help improve the business environment for mutually owned firms. This work received the support of the bipartisan Senate Economics References Committee in 2016.

Government subsequently ordered a review of the recommendations from the Senate Committee, conducted by Greg Hammond OAM. The Federal Treasurer accepted all of the recommendations of the Hammond Review.

BCCM worked hard to build a true bi-partisan consensus in favour of the reforms. The changes were championed both by members of the Liberal-National Coalition and the opposition Labor Party.

BCCM led the project to work with Treasury to develop the draft legislation that implemented these changes and resulted in the Treasury Laws Amendment (Mutual Reforms) Act 2019, which received Royal Assent on 5 April 2019.

Mutual sector businesses, across all industry sectors, that are registered under the Federal Corporations Act are impacted by this legislation.

Mutual capital leadership symposium & advisory services

Mutual capital leadership symposium

The Business Council of Co-operatives and Mutuals (BCCM) presented the first educational event on mutual capital, which was designed to help mutual sector firms to understand the impact of the new law and the opportunities it presents for individual firms.

The Symposium was attended by 100 delegates, mostly from mutual businesses, with some suppliers and potential sector investors.

This event focussed on a range of linked issues firms will need to consider:

- Constitutional impact for mutual entities
- Legal status and features of the new capital instrument
- Market investment opportunities (wholesale and retail)
- The potential for groups of firms to issue together
- Ratings, tax and listing implications
- APRA regulations for mutual ADIs
- ASIC regulation of retail issuance

The speakers were selected as the most relevant experts in their field, and the opportunity to hear from them in one place is not available elsewhere.

BCCM will share the learning from this event and by working with experts from the sector, we will provide regular newsletters focussing on specific aspects of this changed agenda.

Mutuo/BCCM consultancy services on new capital in mutuals

The peak cross-sector body for co-operatives and mutuals, BCCM, has teamed up with Mutuo, to provide private consultancy to individual mutuals. We can help firms to understand the implications for the new legislation and what it means for their strategic planning.

This includes:

- Confidential board briefings
- Senior executive briefings
- Strategic planning implementation
- Member communication consulting

About Mutuo

Mutuo is the leading global consultancy for mutuals, promoting all types of co-operative & mutual business through:

- Public affairs and political advocacy
- Policy development
- Management consultancy for mutuals

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